

## ESS Coordinating Committee

### Meeting Summary

February 16, 2023

#### Participants

Nancy Booten, Lee County	Julie Haggerty, Polk County Recorder
David Erickson, Dentons Davis Brown	Denise Baker, Wright County Recorder
Natalie Steffener, Des Moines County Recorder	Melissa Bahnsen, Cedar County Recorder
Jolynn Goodchild, Plymouth County Recorder	Eric Sloan, ICIT
Lindsay Laufersweiler, Webster County Recorder	

#### Other Participants

Sheri Jones, Jones County Recorder	Dillon Malone, ITG Director
Phil Dunshee, Iowa Land Records	Jan Gemar, ILTA
Corrie Strasser, Iowa Land Records	Kristen Delany-Cole, Iowa Land Records
Lisa Long, Iowa Land Records	Census Lo-Liyong, Iowa Land Records

#### Welcome

A meeting of the ESS Coordinating Committee was held via web conference. The meeting was called to order by Chair Nancy Booten and introductions were made.

#### Meeting Summary

The February 1, 2023, meeting summary was reviewed. Julie Haggerty made a motion to approve the meeting summary as presented. Jolynn Goodchild seconded, and the motion was approved.

#### ESS Election of Officers

The Committee reviewed the Policies and Procedures for the election of ESS Coordinating Committee officers. It was noted that the practice of the Committee has been to elect the ICRA representative to be the Chair for the Committee, however this is not a required policy.

The Committee reviewed the list of nominees for the position of chair, vice chair and secretary. Julie Haggerty made a motion to approve Nancy Booten as the Chair. Jolyn Goodchild seconded, and the motion was approved. Lindsay Laufersweiler made a motion to approve Julie Haggerty as the Vice Chair for the ESS Coordinating Committee. Natalie Steffener seconded, and the motion was approved. Lindsay Laufersweiler made a motion to approve Melissa Bahnsen as the Secretary/Treasurer. Julie Haggerty seconded, and the motion was approved.

### **Treasury Management Update**

The Project Manager reported that the functions of the Treasury Management account with Bankers Trust are nearly complete. A small balance remained in the Bank of America account, and an additional transfer is needed to close the account. This was expected to be completed soon. The Committee reviewed financial statements showing the status of the transition.

### **Financial Reports**

The Bank of America (BOA) account for December had a starting balance of \$1,215,411.94 and an ending balance of \$ 1,373,245.14. The Banker's Trust (BT) account for December had a starting balance of \$660,481.16 and an ending balance of \$ 219,548.55. The Profit and Loss and Balance Sheet reports were also reviewed. Fund 255 assets at the end of the last quarter was \$221,153.60. E-submission activity declined below the 2020 levels due to economic conditions affecting overall recording activity. While overall activity is declining, E-submission continues to increase. In 2022, 60% of all recorded documents were electronically recorded. Lindsay Laufersweiler made a motion to approve the financial reports. Jolynn Goodchild seconded, and the motion was approved.

### **CY 2023 Budget Amendment**

Projected revenue from E-submission was built on an estimate of \$85,000 in income per month. However, it was recommended that the monthly income projection for the remainder of 2023 be reduced to \$80,000.00. An adjustment of the accounting budget was recommended to reflect higher expected costs associated with the preparation of the 2022 990 filing. It was also recommended that the income and expenses for January and February be adjusted to reflect the actual amounts. Julie Haggerty made a motion to authorize staff to adjust the CY 2023 budget as recommended. Denise Baker seconded the motion, and it was approved.

### **Reserve Fund Allocations**

As part of the bank transition, reserve fund accounts were set up in Bankers Trust. The Bankers Trust (BT) account had a settlement balance of \$1,503,019.32. The Unrestricted Reserve had a balance of \$38,399.40, the Software Development and Equipment Maintenance Reserve had a balance of \$459,575.00, the Restricted Operating Reserve had a balance of \$100,000.00, and the Redaction Reserve had a balance of \$28,778.36. The Bank of America settlement account had a balance of \$316,915.70 which will be transferred to the BT settlement account. The Committee reviewed plans for rebalancing the reserve fund once the bank transition was complete. This was expected to be addressed by the Finance Subcommittee at their March meeting. No action was taken by the ESS Coordinating Committee.

### **Reserve Fund Expenditure Authorization**

The ESS Coordinating Committee was presented with a software development update. It was noted that the development team had recently completed a central authentication system (CAS) and that two-factor authentication had been implemented. The most recent work authorization ended on February 17. Prior to Phase 2, the ESS Coordinating Committee had authorized \$350,000.00. Actual expenditure was \$218,000.00.

The next phase of development is currently in progress with the primary focus being the development of an updated search application and company/user management system. Authorization is required for the use of up to \$350,000.00 from the Software Development and Equipment Maintenance Reserve during the period of February 20, 2023, through June 2, 2023, in support of the described activities. This phase will include developing a code for the new search application and the new user registration and management system.

Julie Haggerty made a motion to authorize the use of up to \$350,000.00 from the Software Development and Equipment Maintenance Reserve during the period of February 20, 2023, through June 2, 2023, in support of the described activities. Natalie Steffener seconded, and the motion was approved.

### **Work Authorizations**

In November, work authorization 2.3 was approved, and subsequently modified (work authorization 2.3B) to adjust the scope of work to include developments for the ESS payment system. The LT development team was now ready to begin work authorization 2.4. The focus of this work authorization is the development of the next generation search application. The authorization approved by the Project Manager for the period of February 20 through April 7 was \$105,000.00. The ESS Coordinating Committee was asked to affirm and ratify work authorizations 2.3, 2.3B and 2.4.

Julie Haggerty made a motion to affirm and ratify work authorizations 2.3, 2.3B and 2.4. Denise Baker seconded, and the motion was approved.

### **Assignment of Credits for E-submission**

The 2022 end of year E-Submission ratio reports was presented to the Committee. While overall recording activity was down, the ratio of E-submission transactions increased. Based on this information, recommendations were made to provide cost-sharing credits to the individual counties when invoices are prepared for local maintenance expenses. Credit amounts are determined by formula, and then adjusted to provide counties with no less than the amount received in the prior year. Additionally, the option was presented that an additional credit in the amount of \$150.00 could be granted to each county.

Lindsay Laufersweiler moved to approve the recommended credit amounts plus the addition of \$150.00 per county. Jolynn Goodchild seconded, and the motion was approved.

## **ESS Contracts and Agreements**

### **Engagement Agreement for the 2022 Audit and 990 return preparation**

Denman and Co. submitted a letter of engagement to perform the annual audit and to complete the 990 return for 2022. Approval was recommended by the Project Manager. Julie Haggerty made a motion to approve the engagement with Denman and Co. Natalie Steffener seconded, and the motion was approved.

### **Accounting Services Firm or Accounting Coordinator Position**

The RFQ to identify qualified firms, and the companion job posting for an in-house accountant have been published. Applicants are currently being evaluated. RFQ responses are due March 10, 2023.

### **Linn County Registration Renewal**

The Linn County Recorder's office in collaboration with their county IT department is in the process of developing an online registration renewal system. The concept is that they would obtain registration renewal information from the Department of Natural Resources and then invite their customers to renew their registrations and licenses online. In order to implement this system, when developed, it would be necessary for them to integrate with a payment system. Linn County inquired with ESS about the use of its payment system. This would require some updates to enable "on-demand" payment services, but if successful, it could open the door for other types of online services. Participants supported the concept but also speculated that the DNR might create their own online payment system.

### **Department of Natural Resources (DNR) Agreement**

An intergovernmental 28E agreement between ESS and DNR was presented to the ESS Coordinating Committee. The purpose of this agreement is to facilitate the presentation of Groundwater Hazard (GWH) statements which are recorded by county recorders through a browser interface provided through Iowa Land Records, as well as to facilitate the proper retention of those statements. This agreement is consistent with the recently enacted legislation concerning the submission of Groundwater Hazard (GWH) statements for recording. Julie Haggerty made a motion to approve the agreement between DNR and ESS. Lindsay Laufersweiler seconded, and the motion was approved.

## **Legislative Updates**

The Committee was informed about progress made on the two ESS legislative priorities. ESS is pursuing legislation concerning the website Terms of Use, and authorization for the use of batch transfers for Groundwater Hazard (GWH) statements and an application programming interface (API) for the provision of reports with aggregated anonymous data. The proposals were developed with extensive discussions among ESS stakeholders. A Senate Study Bill was introduced, and the bill was approved by the Senate Local Government Committee. The bill, now Senate File 141, has now been assigned to the

Ways and Means Committee. It was hoped that a companion bill would be filed in the House.

ICRA had proposed a technical change to policies concerning who should file Trade Name documents with Iowa counties. The proposed change was being researched and reviewed with stakeholders including the office of the Secretary of State. It was reported that a conference call was held with representatives from the ISAC Treasurer's affiliate. These discussions are expected to be extended to the next legislative interim period.

It was reported that Megan Clyman had stepped forward to replace John Murphy and serve as one of the legislative liaisons for the Association. Stacie Herridge, Megan Clyman and Census Lo-Liyong have established a working schedule with regular meetings every Friday to discuss bills and ICRA declarations.

#### **Document Formatting Policy Review Process**

A special working group has been formed to review document formatting standards. The formatting standards working group recently held their first meeting, and a schedule for future meetings was shared. Once a draft report is prepared, stakeholder discussions will be held during the upcoming legislative interim.

#### **Software Development Updates**

The Committee received an update on recent software developments and a brief demonstration of progress on the search application.

#### **PRIA Working Group**

PRIA has started a blockchain working group. The agenda for the group has an educational focus. Phil Dunshee, Census Lo-liyong and Lindsay Laufersweiler are part of the working group.

#### **Marketing Update**

The preparation of the recorder's directory is currently in progress. The directory and the map will be available at the upcoming ISAC meetings.

The meeting was adjourned at 2:00 PM. The next regular meeting will be **May 9, 2023**.